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**FOR IMMEDIATE RELEASE:  
DECEMBER 9, 2003**

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## **Bond Downgrade: Wall Street Wants California to Cut Waste**

**Statement of Steve Westly  
December 9, 2003**

Moody's downgrade of California's bond rating is the wrong news at the wrong moment. Wall Street is sending a signal of lost confidence in California's ability to set fiscal priorities.

The people elected Governor Schwarzenegger to cut waste and push tough reforms. If those steps aren't taken, California will see more cuts to its bond rating.

California is just two rating cuts away from junk bond status. The rope dangling California over the junk bond pit has slipped another notch.

I urge the Legislature to work through the holidays if necessary to pass a debt bond and spending limits. We must also enact solid cuts in waste.

The Governor can take some solid and important steps that send a signal to the people and to Wall Street that he will deliver on cutting waste. First, he needs to start at the top and eliminate bureaucratic layers from his administration. Second, he should support performance audits that root out inefficiencies throughout government. Third, he should move swiftly on additional reforms to workers' compensation, which drains hundreds of millions from government and business.

The October 7<sup>th</sup> election was about cutting waste and ending politics as usual. Until we fulfill that historic day's promise, Wall Street and the people will lose confidence in our ability to end politics as usual.

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